

ELECTRONICALLY FILED
AUGUST 23 2006

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*Counsel for the Official Committee of Equity Security Holders of
USA Capital First Trust Deed Fund, LLC*

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:	)	BK-S-06-10725-LBR
USA COMMERCIAL MORTGAGE COMPANY	)	Chapter 11
Debtor.)	
In re:	)	BK-S-06-10726-LBR
USA CAPITAL REALTY ADVISORS, LLC,	)	Chapter 11
Debtor.)	
In re:	)	BK-S-06-10727-LBR
USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,	)	Chapter 11
Debtor)	
In re:	)	BK-S-06-10728-LBR
USA CAPITAL FIRST TRUST DEED FUND, LLC,	)	Chapter 11
Debtor)	
In re:	)	BK-S-06-10729-LBR
USA SECURITIES, LLC,	)	Chapter 11
Debtor)	
Affects:)	
<input type="checkbox"/> All Debtors)	
<input type="checkbox"/> USA Commercial Mortgage Co.)	
<input type="checkbox"/> USA Securities, LLC)	
<input type="checkbox"/> USA Capital Realty Advisors, LLC)	
<input type="checkbox"/> USA Capital Diversified Trust Deed	)	DATE: N/A
<input checked="" type="checkbox"/> USA First Trust Deed Fund, LLC	)	TIME: N/A

**SUPPLEMENTAL DECLARATION OF JAMES PATRICK SHEA, ESQ. AND STATEMENT
OF DISINTERESTEDNESS IN SUPPORT OF APPLICATION FOR ORDER APPOINTING
SHEA & CARLYON, LTD. AS SPECIAL (NEVADA) COUNSEL FOR THE OFFICIAL
COMMITTEE OF EQUITY SECURITY HOLDERS OF USA CAPITAL FIRST TRUST
DEED FUND, LLC**

1 I, James Patrick Shea, Esq., hereby declare and state as follows:

2 1. The following facts are personally known to me and if called to testify thereto,
3 I could and would do so under oath.

4 2. I make this supplemental declaration and statement of disinterestedness
5 ("Supplemental Declaration") in support of the Application (the "Application") for Order
6 Appointing Shea & Carlyon, Ltd. as Special (Nevada) Counsel for the Official Committee of
7 Equity Security Holders of USA Capital First Trust Deed Fund, LLC (the "FTD Committee"),
8 which Application the Court granted by an Order entered on June 20, 2006 (docket #739).

9 3. To the best of my knowledge, and based upon the Declaration of
10 Disinterestedness herein, neither Shea & Carlyon, nor any of its shareholders have any present
11 connection with the any of the official committees appointed in the USA cases, the debtors,
12 any creditors of the estate, any party in interest, their attorneys or accountants, the United
13 States Trustee and any person employed in the office of the United States Trustee other than
14 those described in the Application, in my initial declaration in support thereof, and in this
15 Supplemental Declaration.
16

17 4. With respect to Shea & Carlyon's involvement with, or representation of, the
18 debtors and/or creditors in this Bankruptcy Case, Shea & Carlyon hereby discloses the
19 following connections and developments that have been uncovered in the course of its
20 involvement in the USA cases:
21

- 22 a. Shea & Carlyon represents Wells Fargo Bank ("Wells Fargo") in numerous
23 matters, including issues relating to the USACMC prepetition and postpetition
24 bank accounts, as well as prepetition debts owed by USACMC to Wells Fargo.
25

26 On June 19, 2006, USACMC filed a complaint against Wells Fargo seeking to
27

1 recover \$100,000 due to a check for that amount that Wells Fargo honored
2 post-petition. On July 24, 2006, USACMC filed an interpleader action with
3 respect to funds in an Investor Account held with Wells Fargo. On August 8,
4 2006, USACMC filed a motion with the Court to consolidate the two actions.
5 Shea & Carlyon currently represent the interests of Wells Fargo in these two
6 actions. However, Shea & Carlyon and its co-counsel Stutman, Treister & Glatt
7 ("ST&G") have agreed that any matter arising with respect to Wells Fargo that
8 may pose a potential conflict of interest for Shea & Carlyon will be handled
9 solely by ST&G.
10

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12 b. In early 2002, Epic Resorts-Westpark Resorts, LLC initiated a lawsuit in the
13 District Court of Nevada (case no. A444634), seeking to recover approximately
14 \$80,000 owed to it by the defendant in that action. The action was interrupted
15 by Epic Resorts' filing bankruptcy in late 2002 in the United States Bankruptcy
16 Court, District of Delaware (case no. 02-12892-MFW). In early 2003, Shea &
17 Carlyon was approached by a representative of Epic Resorts, and was asked
18 whether it would be beneficial to the estate for Shea & Carlyon to pursue the
19 State Court action in some context. Although Shea & Carlyon reviewed
20 certain documents relative to that lawsuit, the matter was not ultimately
21 pursued. Shea & Carlyon's involvement in the USA cases have revealed that
22 one of the more problematic loans in the portfolio of the Official Committee of
23 Equity Security Holders of USA Capital Diversified Fund, LLC involve a
24 borrower named Epic Resorts-Palm Springs Marquis Villas, LLC, which may
25 or may not be an affiliate of Epic Resorts-Westpark Resorts, LLC.
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27
28

~~JAMES PATRICK SHEA, ESQ.~~